

## IT'S THE GOP WAY OR THE THIRD WAY

**Moderation is very hot with Washington Democrats. Plus, an alternative tax-cut plan from Vermont**

Sen. John Breaux of Louisiana surveyed the packed Crystal Room at the Willard Hotel Tuesday night and had to marvel. Moderation has never been so hot. The occasion was the winter dinner of the New Democrat Network (NDN), the fund-raising organization he cofounded with Sen. Joe Lieberman and former Bill Clinton campaign aide Simon Rosenberg to underwrite candidates who reject the party's traditional liberal orthodoxy and embrace a centrist, business-friendly "third way." Clinton's New Democratic message of economic opportunity, community, and, laughable as it now seems, personal responsibility, helped put him in the White House in 1992. Clinton is gone (sort of), but the message is not. It is standing-room-only in the center these days, with moderate groups swelling to record dimensions. The House's New Democrat Coalition is the body's single largest caucus, with 70 members-including nine of the party's 13 freshmen. On the Senate side, six of the party's new arrivals have already signed up, bringing its membership to 20.

Exactly what "It" means has always been a bit squishy. Clinton and former vice president Al Gore, both hailed earlier in their careers as exemplars of the third way, weren't all that devoted to its tenets once they got to the White House. Now, the definition seems more expansive than ever. At the Willard, Breaux and company raised money with Republican efficiency. The room was wall-to-wall lobbyists, from Aetna to Microsoft to Quaker Oats, all helping the NDN collect \$1.2 million, part of its \$10 million goal for the 2002 election cycle. The crowd was also peppered with faces that were more Old Democrat than New, like Sen. John Kerry of Massachusetts, who has earned consistent 90-percent-plus voting scorecards from organized labor and old-line liberal interest groups like Americans for Democratic Action (ADA). "The tent has gotten so big that it's meaningless," scoffs one senior aide to a Senate Democrat who has not enlisted. "Pretty soon Paul Wellstone and Ted Kennedy will be the only ones not in it."

The New Democrats aren't the only moderate caucus getting bigger. A bipartisan Senate group, the Centrist Coalition, has more than doubled in size since the end of the 106th Congress last year and now totals 43 members-nearly half of the body. Its roster, which in some cases overlaps the New Democrats, includes names that don't leap immediately to mind when discussing centrism, like Barbara Mikulski, the stalwart Maryland Democrat, and John McCain of Arizona, whose passionate advocacy of campaign finance reform often eclipses an extremely conservative legislative record. The coalition also counts as its own Republicans whose votes earned them big fat zeros from the ADA last year (Chuck Hagel of Nebraska, Pat Roberts of Kansas, Fred Thompson of Tennessee) and two who scored just 5 percent (Bill Frist of Tennessee and Judd Gregg of New Hampshire). As a whole, though, the Centrist Coalition is much like the New Democrats, an eclectic bunch difficult to pigeonhole. Some are economic conservatives and social progressives; some are the other way around. "I wouldn't call it a centrist coalition as much as I would call it a result-oriented coalition or a pragmatic coalition," says McCain, who is sponsoring new gun-control legislation with coalition-mate Lieberman. "It will be a real shifting group, with different coalitions coming together on tax issues, some on education, some on prescription drugs."

The heavy traffic in the center reflects a couple of trends. One is the continued shift of population to the suburbs, where moderate swing voters rule. The other is the message of the 2000 presidential election. Voters (with an assist from the U.S. Supreme Court) selected a chief executive who promised to set a new cooperative tone in Washington, with an emphasis on reconciliation and bipartisanship. "People want us to stop bickering and work together," says McCain. And with the numbers now so evenly matched (50-50 in the Senate and a slender nine-seat GOP advantage in the House), the assumption is that the center is where the legislative action will be. It's also no coincidence that these groups include several members who have their eye on a presidential run. Thompson and Frist, as well as Democrats Kerry, John Edwards of North Carolina and Evan Bayh of Indiana, know that national campaigns are won in the center. Besides, said Bayh, recently installed as the new head of the Democratic Leadership Council, the intellectual wellspring of the New Democrat movement, the center is just a comfortable place to be. "How many people get up in the morning, look in the mirror and see an extremist?" he asked.

The centrists are beginning to make their legislative mark. New Democrats supplied critical votes last year in favor of permanent normal trade relations with China. They've also championed a range of high-tech issues like limiting liability for Y2K failures. Last month, they proposed an alternative to President Bush's education-reform package, one that targets more money to poor school districts and favors charter schools over vouchers.

But more often, the polyglot nature of the groups makes concerted action difficult. Neither the Centrist Coalition or the New Democrats have been able to settle on an alternative to Bush's \$1.6 trillion tax cut. Some members think the size of the cut is too high, others want a "trigger" provision that would roll back tax cuts if projected surpluses fall short. As Lieberman acknowledged this week: "The bipartisan Centrist Coalition is not at this point headed in a bipartisan direction."

### THE SANDERS PLAN

There was a time when Rep. Bernie Sanders of Vermont, the lone Democratic Socialist in Congress, was more likely to be found pushing for deep cuts in military spending than for lower taxes. But now even Sanders, founder of the Congressional Progressive

Caucus, has contracted tax-cut fever. Sanders and the caucus, which includes 53 of the most liberal House members, are promoting what they call "The American People's Dividend," calling for \$900 billion in tax relief, spread over 10 years. Where more than 40 percent of the benefits under President Bush's plan go to the wealthiest people in the country, the progressives want everyone to get the same payout: a \$300 refundable tax credit for every man, woman and child. "If you are a low-income person or the richest in the world, you benefit in an equal way," said Sanders, a Vermonter since the late 1960s but whose accent still carries the echoes of his boyhood in the Flatbush section of Brooklyn, N.Y., where he grew up the son of a paint salesman. The mayor of Burlington before winning the state's only congressional seat in 1990, he runs his races as an Independent and functions in the House as a Democrat, but still considers himself a socialist in the Western European mode.

Sanders sees the plan as a quick and efficient way to put money quickly into the hands of the working families who are most likely to spend it quickly-and hopefully stimulate the economy. The proposal is also predicated on continued projections of a surplus. No surplus, no tax credit. Sanders was asked why, as a progressive, didn't he see the \$900 billion used more appropriately to expand federal investment in areas like health care and education. He said the if the surplus was as big as the forecast suggests, there is room for both cut taxes and spending, and that the caucus would be coming out with a larger budget framework soon. In the meantime, he added, "If there is sentiment for a tax cut, then we want to be in the game."